--- 22 Cigarettes - used by “L. O. Grothe” - [16-10D] - 1939 ---

When the wartime Budget of September 1939 increased the excise duty on *small cigarettes* from $ 4.00 to $ 5.00 per thousand the manufacturers, attempting to maintain an even price level on their brands, reduced their packages by one cigarette per pack of ten, or major fraction thereof, and the 1935 *Montreal* package of *twenty-four* became *twenty-two* cigarettes selling at 25¢.

Across Canada (except in Quebec) the *twenty-three* cigarette package (as reduced from *twenty-five* cigarettes under the 1939 Budget) was selling at the same 25¢ price.

After using a three-digit *weekly cancellation* on their pre-war stock, the “L. O. Grothe” cancellation format was switched to read in *months* for sheets purchased under the September 1939 Budget. The initial code cancellation in the collection (used in January 1940 is **1-40**), but this had been shortened to simply read as **30** by March 1940.

★**RC-388** - 22 cigarettes, imperf, coded **16-10D / 1-40** by “L.O. Grothe” in January 1940

[★RC-388]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1940	**1-40**	---	---	---	---	---	---	---	---	---	---	---
1941	---	---	---	---	---	---	---	---	---	---	---	---

When the Budget of June 24th 1940 increased the *small cigarette* excise duty from $ 5.00 to $ 6.00 per thousand cigarettes, “L.O. Grothe” restored *twenty-five* cigarettes to retail *across Canada* for 30¢ per pack, and re-introduced the *twenty* cigarette pack at 25¢.

The Province of Quebec, on July 1st 1940, abolishing all existing municipal and provincial tobacco taxes, imposed a flat 10% tax on tobacco products. This meant an added 3¢ provincial tax on a 25¢ package, and thus *in Quebec* after July 1940 a *twenty* cigarette pack retailed at 28¢.

In February 1941, responding to Quebec retailer complaints concerning the odd cent prices, “L. O. Grothe” restored the *twenty-two* cigarette package for retail *in Quebec* at 30¢ per pack.

This *twenty-two* cigarette pack was not restricted to sale in *Quebec*. The “Toronto Star” advertises Macdonald’s “British Consols” at *twenty-two* for 25¢ in September 1941, so *twenty-five* cigarettes probably sold *in Ontario* at 25¢.

--- 22 Cigarettes - the initial “Imperial Tobacco” surcharge for the June 1942 Budget ---

When the Budget of June 24th 1942 under the “Special War Measures Act” imposed an excise tax of 1¢ per five cigarettes or fraction thereof, “L. O. Grothe” surcharged their *on-hand* sheets of the twenty-two cigarette stamp with a three-line vermilion 3 mm. Gothic **5¢ / EXCISE / TAX** as the company provisional **RC-485**. Always uncoded, the surcharge is from June 1942.

★**RC-485** - **5¢ / EXCISE / TAX** on 22 cigarettes, imperf, the “L. O. Grothe” surcharge for the June 1942 Budget

---

--- 22 Cigarettes - the second company surcharge for the June 1942 Budget ---

Obtaining new sheets purchased from Ottawa under the 1942 Budget rates, “L. O. Grothe” applied a ***compressed*** Gothic orange-red *central killer* **5** as the company provisional **RC-511**. Fritz Angst brought his copy to BNAPEX at Orlando in 1998, but the collection ***does not contain*** a copy for illustration. **WANTED!**

--- 22 Cigarettes - the BABN red surcharge for the June 1942 Budget, as used by “L.O. Grothe” ---

When the Budget of June 23rd 1942 under the “Special War Measures Act” imposed an excise tax of 1¢ per five cigarettes, or fraction thereof, BABN surcharged the twenty-two cigarettes with a 6 and 3 mm. Gothic **5c. / EXCISE / TAX** as **RC-637**. Under the Budget of June 1942 the *twenty-two* cigarettes pack retailed *in Quebec* at 35¢.

★**RC-637** - **5c. / EXCISE / TAX** on 22 cigarettes, imperf, coded **16-10D / 122** by “L. O. Grothe” in December 1942

--- the cancellation reads horizontally inverted – 5 copies to date ---

[★RC-637]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1942	---	---	---	---	---	---	---	---	92	102	---	122
1943	13	23	---	---	---	---	---	---	---	---	---	---

--- 22 Cigarettes - the “L. O. Grothe” re-surcharge of RC-637 for the March 1943 Budget ---

At this same time to keep production moving, “L. O. Grothe” re-surcharged their *on-hand* sheets of the 1942 BABN twenty-two cigarette **5c. / EXCISE / TAX** surcharged stamps in deep blue ink with a 5 mm. *killer* Gothic **10c.** plus a 10 x 6 mm. *killer slug* **OO** as the company provisional **RC-694**. Always uncoded, this surcharge dates from March 1943.

★**RC-694** - **10c. / OO** over **5c. / EXCISE / TAX** - the “L. O. Grothe” Gothic re-surcharge of **RC-637** in March 1943

--- 22 Cigarettes - the BABN re-surcharge used by “L. O. Grothe” under the March 1943 Budget ---

When the Budget of March 3rd 1943 doubled the excise tax, BABN re-surcharged **RC-637** in dark blue ink with their usual 6½ mm. central Gothic **10c.** as the Ottawa / BABN provisional **RC-746**. Accounting procedures had changed and companies no longer had to pay *up-front* for excise tax stamps, as a consequence there was no reason for a company to make re-surcharges on Ottawa’s stock, which was now usually returned to BABN.

★**RC-746** - **10c.** over **5c. / EXCISE / TAX** - the BABN re-surcharge coded **16-10D / 93** by “L. O. Grothe” in September 1943

--- the cancellation reads horizontally inverted - 2 copies to date ---

[★RC-746]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1943	---	---	---	---	**53**	---	---	---	**93**	---	---	---

To date I have not recorded the general distribution 1943 BABN **10c. / EXCISE / TAX** surcharged twenty-two cigarettes **RC-772** as cancelled by “L. O. Grothe”. Their cigarette production seems to have been transferred to “Imperial Tobacco”, Montreal.

File path is c:\ MS - STAMPS \ RC_STAMPS \ 1935 - Series C \ 22 cigarettes \ 16-10D - small],
In MS Word 2007 for Windows 7,
Formatted for a HP CP 1525 Laser Jet,
December 26th 2013, JBH